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IN THE UNITED STATES BANKRUPTCY COURT

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EASTERN DISTRICT OF CALIFORNIA

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FRESNO DIVISION

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In re

CASE NO. 17-13797

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TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE REGIONAL
MEDICAL CENTER,

Chapter 9

14

Debtor.

DC No.: WW-95

15

Tax ID #: 94-6002897

Date: August 15, 2019

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Address: 869 N. Cherry Street
Tulare, CA 93274

Time: 9:30 a.m.

17

Place: 2500 Tulare Street

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Fresno, CA 93721

Courtroom 13

Judge: Honorable René Lastreto II

**DECLARATION OF DANIEL R. HECKATHORNE IN SUPPORT OF CONFIRMATION OF
PLAN FOR THE ADJUSTMENT OF DEBTS DATED AS OF APRIL 30, 2019**

1. My name is Daniel R. Heckathorne. I am the interim Chief Financial Officer of the Tulare Local Healthcare District (the "District"). The Board of Directors ("Board") of the District appointed me to the position of Interim Chief Financial Officer at the meeting of the Board of Directors conducted on November 7, 2017, which was documented in Resolution No. 855 signed by the Secretary of the Board on November 10, 2017. I am authorized to make this declaration on behalf of the District. If called upon as a witness, I could and would competently testify to the facts set forth herein.

28 {\//WW-95 Decl.Heckathorne.ISO.Plan.080819.jmm (01003325).docx}



1 2. I have served as the interim Chief Financial Officer of the District since November
2 7 2017. As the Interim Chief Financial Officer of the District, my duties include overseeing
3 accounting functions, budgets, financial risk management and financial statements, as well as
4 reporting on financial performance. I also oversee areas related to patient accounting and revenue
5 cycle management, cash management processes including billing, collections, accounts receivable,
6 accounts payable, and financial reporting and month-end close processes, which includes payment
7 and reconciliation of Medicare and Medicaid (Medi-Cal) reimbursements. As part of those duties, I
8 am familiar with the District's business records related to my job duties. This declaration is based on
9 matters of my own personal knowledge or knowledge I have gained from a review of the District's
10 business records, which I believe have been maintained in the ordinary course of the District's
11 business and which were made at or near the time of the acts or events recorded therein by, or from
12 information transmitted by, a person with knowledge of the acts or events who had personal
13 knowledge of the event and had or has a business duty to record such event accurately.

14 3. Attached as Exhibit A to the "Exhibits to Disclosure Statement dated April 30, 2019"
15 is a true and correct copy of a document entitled "Chapter 9 Plan of Adjustment" dated April 30,
16 2019, which I understand was filed in this chapter 9 case on May 22, 2019 as docket number 1442.
17 This document is referenced herein as the "Financial Projections Supporting the Chapter 9 Plan of
18 Adjustment." Attached as Exhibit B to the "Exhibits to Disclosure Statement dated April 30, 2019" is
19 a true and correct copy of the "Audited Financial Statements Tulare Local Healthcare District dba
20 Tulare Regional Medical Center June 30, 2018" prepared by JWT & Associates, LLP, which was
21 received by me as part of my duties as the interim Chief Financial Officer of the District.

22 4. As part of my duties as the interim Chief Financial Officer of the District, I prepared
23 the pro forma financial projections used as the basis for the Financial Projections Supporting the
24 Chapter 9 Plan of Adjustment. Richard Gianello, a recently retired former partner at Wipfli LLP/HFS
25 Consultants ("HFS") retained by the District as an advisor and crisis manager, was my supervisor and
26 utilized those pro forma financial projections in order to prepare the Financial Projections Supporting
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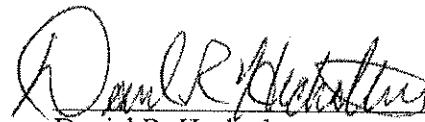


1 the Chapter 9 Plan of Adjustment. The Financial Projections Supporting the Chapter 9 Plan of
2 Adjustment which were presented to and approved by the Board of the District.

3 5. It is my belief and testimony that the projections are conservative in nature and that
4 the proposed Plan is feasible and not likely to be followed by need for further liquidation in
5 reorganization.

6 I declare under penalty of perjury that the foregoing is true and correct.

7 Executed on August 8, 2019, at EL CENTRO, California.

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Daniel R. Heckathorne